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DEPT PLEASE PASS TO OFFICE OF SENATOR NELSON

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SUBJECT: RWANDA SCENESETTER FOR SENATOR BILL NELSON

¶1. (SBU) Introduction: Senator Nelson's visit to Rwanda comes at a promising time in U.S.-Rwandan relations. The U.S. Government has a deep partnership with Rwanda on a wide-range of bilateral, regional and global issues such as expanding economic development, peacekeeping in Darfur, resolving the volatile longstanding conflict in eastern Congo, and fighting the spread of global scourges such as HIV/AIDS and malaria. Additionally, Rwandans deeply appreciate that the United States is the largest bilateral aid donor operating in Rwanda, with almost \$170 million in assistance in FY07.

¶2. (SBU) Although Rwanda is a highly stable country, it is still struggling to overcome the legacy of the devastating 1994 genocide when upwards of one million Rwandans lost their lives, and the nation's infrastructure, economy and society were terribly damaged. Today, the Government is deeply committed to forging national unity through the reconciliation of Rwanda's ethnic groups, and has made great strides in restoring security and establishing the underpinnings for a developing democracy. The economy has been largely rebuilt and Rwanda is seeking to position itself as "the Singapore of Africa." Yet much remains to be done, and we are working with the Government of Rwanda (GOR) to implement a newly-agreed upon three year, \$24 million Millennium Challenge Corporation (MCC) Threshold Country Plan.

¶3. (SBU) Regionally, Secretary Rice's December facilitation of the Heads of State Tripartite-Plus Summit in Addis Ababa built upon and strengthened the November Nairobi agreement. In this agreement Rwanda and the Democratic Republic of the Congo (DRC) agreed on a "common approach" to resolve the security threat posed by the FDLR (the Democratic Forces for the Liberation of Rwanda) an armed group operating inside the DRC consisting of the remnants of the former Armed Forces of Rwanda and the Interahamwe militias, who in large measure carried out the genocide. Subsequent to the Summit in Addis Ababa, the January Goma Peace Conference, held in the DRC, resulted in a clear road-map for disarmament of other indigenous militias. A Joint Monitoring Group meeting in Gisenyi in June resulted in new commitments toward peace-making, and an August Tripartite-Plus conference in Kigali (facilitated by the USG) will add emphasis to these initiatives.

¶4. (SBU) Elsewhere in the region, Uganda and Rwanda enjoy their most positive relations in years, and the simmering internal political problems in Burundi show signs of improvement. Kenya's post-election turmoil highlighted Rwanda's dependence upon long transport corridors from Indian Ocean ports; Rwanda briefly imposed fuel rationing when tanker trucks from Mombasa were delayed by the violence.

¶5. (SBU) AU/UN Mission in Darfur: The Rwandan Defense

Forces (RDF), one of the most competent and professional militaries in sub-Saharan Africa, currently has four battalions deployed in Darfur, attached to the African Union Mission/United Nations Hybrid Operation (UNAMID). The USG has been providing logistical and training support for the Rwandan contribution to peacekeeping efforts in Sudan since initial deployment in August 2004. The U.S. Air Force and US-funded contract airlines have provided transport for nearly all troop deployments. American contractors under the ACOTA program (Rwanda became a full ACOTA partner in June, 2006) have conducted training for over a dozen battalions in preparation for the Darfur deployments. We are now providing over \$20 million in new equipment for these battalions.

16. (SBU) Global Health: Rwanda is one of 15 "focus countries" under the PEPFAR program. The national HIV prevalence rate is approximately 3.0 percent (3.6 percent for women, 2.3 percent for men). A 2005 survey suggests that women are contracting HIV/AIDS at a younger age than men, and that for both sexes prevalence in urban areas is approximately three times higher than in rural areas. By the middle of FY 2008, the PEPFAR program in Rwanda will provide at least 50,000 persons with anti-retroviral treatment (ART), prevent 158,000 new HIV infections, and provide care and support to 250,000 persons affected by HIV/AIDS, including orphans and vulnerable children. FY07 PEPFAR funding for Rwanda was approximately USD 103 million. FY08 levels are expected to be nearly USD 123 million.

17. (SBU) In addition, Rwanda is a phase II country for the President's Malaria Initiative (PMI). This program works to dramatically reduce the incidence of malaria through new treatments, indoor residual spraying, home-based management of fever in children and increased bed-net use. PMI funding for the first year of the program was \$20 million and we anticipate \$17 million in FY08. The Mission also implements successful programs in child survival, maternal and child health, reproductive health and family planning. These programs have annual budgets of approximately \$8 to \$10 million.

18. (SBU) Domestic Political Issues: In 2003, President Kagame was elected to a seven-year term with 95 percent of the vote; members of the Chamber of Deputies were elected to five-year terms in the same year (indirect Senate elections were also held). The Presidential and Deputies elections were peaceful, but marred by serious irregularities. The next legislative elections will be held this September, with presidential elections following in 2010. Although constitutional and regulatory restrictions on political party operations remain in place, and use of broadly-worded criminal statutes sanctioning "divisionism" and "genocide ideology" concern the human rights community, a June 2007 law allows parties to organize down to the lowest administrative level. As a result, Rwanda's political parties report renewed interest among average Rwandans in politics. Other human rights concerns include lingering restrictions on a free press, a judicial system still hampered by capacity limitations, and a developing civil society that must satisfy extensive licensing requirements. Pending legislation may loosen many restrictions on civil society, and to a lesser degree on the press; their final form will be determined in the course of the next several months.

19. (SBU) Press Freedom: Press freedom remains the subject of much debate and action in Rwanda. While senior GOR officials recognize in principle the need for an effective free press, both for the development of Rwanda's democracy and for international perceptions of the country, there have been incidents of harassment, occasional run-ins with the police and other government authorities, and jailing and

prosecution of several journalists. Press freedom diminished in 2007, although independent newspapers continue to publish articles critical of senior government officials and institutions and the ruling Rwanda Patriotic Front. New restrictions on independent journalists' attendance at government events are troubling. In addition to difficult relations with government officials, independent journalists often say that day-to-day economic obstacles to making journalism profitable are key concerns.

¶10. (SBU) Justice and the Genocide: Over one million suspected "genocidaires" (those who participated in the 1994 genocide) are the subject of judicial inquiry by the "gacaca courts," a traditional system modernized and expanded by the GOR. Over 95 percent of the pending cases had been adjudicated by approximately 3,000 gacaca courts by the spring of 2008. The gacaca service is optimistic it can finish all cases including appeals by the end of 2008. The GOR decreed last summer that gacaca prisoners would serve their suspended and community service sentences first, and return to prison at a later date. Since then, the large prison population has diminished, alleviating crowded and unsustainable conditions, as the government began releasing prisoners previously convicted. While a small number of the most serious genocide offenders will continue to be judged by Qserious genocide offenders will continue to be judged by the regular courts, the gacaca courts represent the principal attempt by the GOR to achieve justice and reconciliation -- a difficult policy balance -- given Rwanda's history of ethnic animosities.

¶11. (SBU) Democracy and Governance Programs: USG programs focus on local government and reconciliation. We are supporting decentralized governance through an innovative program in which health and governance objectives combine to ensure local management and delivery of high quality health services. The program is intended to demonstrate ability for local governments to manage and fund public services. This program is complemented by support for capacity building programs for local civil society organizations. We also support a series of smaller projects related to reconciliation, such as activities in land management and land policy and legislation, and youth radio. We also fund youth radio for peace and reconciliation through a Great Lakes regional initiative. We have also just secured ESF funding for a \$500,000 program to work with political parties for the 2008 and 2010 elections.

¶12. (SBU) Economic Development: Rwanda's main development challenges remain its small economy, relative isolation, poor infrastructure, the high cost of energy, and poorly developed human capital. Rwanda's economy remains largely dependent upon foreign aid (roughly half of its one billion dollar-plus budget comes from donors), while its population remains overwhelmingly rural with over 85 percent of families earning a living through subsistence agriculture and 56.9 percent of households living below the poverty line of 250 Rwandan francs a day (about \$0.45). However, Rwanda has achieved an average GDP growth rate of 6 percent over the past six years and increased the total value of exports each year. The government has established important policy benchmarks for overhauling the economy, and seeks to establish Rwanda as a regional crossroads bridging the Francophone west and Anglophone east. It has achieved major improvements in the areas of tax collection, banking, trade agreements, anti-corruption, and fiscal policy. It has improved road conditions throughout the country, and maintained a low corruption rate relative to neighboring countries.

¶13. (SBU) Specialty Coffee: In 2001, the country produced only low-grade commercial quality beans for export despite coffee being the traditional number

one export earner. Over the past six years, the USG has invested an estimated USD 11 million in promoting and developing the Rwandan coffee industry, building and rehabilitating coffee washing station, training farmers and "cuppers" (coffee tasters), organizing cooperatives, encouraging banks to lend to Rwandan investors to build coffee washing stations, and improving rural infrastructure. Today, Rwandan coffee has become known as one of the "best of the best" coffees in the world. Rwanda exported 2,600 tons of specialty coffee in 2007. While still a small proportion of overall coffee exports, these crops earn top prices for the coffee growers, and have resulted in better health care, education, and housing in coffee farming communities. In 2006, Starbucks launched a promotional campaign featuring the best of Rwandan coffee, a program seen by an estimated 19 million customers in over 5,000 Starbucks retail stores throughout the U.S. Starbucks and Costco today purchase sizable amounts of Rwandan specialty coffee.

¶14. (SBU) Poverty Reduction: The government has made efforts, with measurable results, to reduce poverty and to improve access to health care and education, despite its severely limited resources. Under its national policy of universal primary education, the GOR provides free primary education to all children. A joint GOR-donor task force is focusing on improvement of girls' education. The GOR is also attempting to improve access to health care through greater decentralization. In addition, it has implemented plans for the prevention, protection, and reintegration of street children (currently 7,000 out of 4.2 million children), including vocational training to promote self-reliance through development of income-generating skills. Rwanda completed its Economic Development and Poverty Reduction Strategy (EDPRS) at the end of 2007 with the help of the donor community. Rwanda had completed the Highly Indebted Poor Country (HIPC) debt relief initiative and the Multilateral Debt Relief Initiative by the end of 2006. Completion of these two debt initiatives significantly reduced its overall debt, freeing significant funds for social programs. Anticipated GDP growth for the immediate future should continue at 5-6 percent, while inflation has risen slightly given high energy costs and large donor inflows. Rwanda does face challenges to food security from cyclic rainfall shortages.

¶15. (SBU) Millennium Challenge Corporation Country Threshold Program: Rwanda was selected in 2006 for the Threshold program. The GOR Country Plan has just been approved by the MCC Investment Committee, and a formal announcement will occur in Rwanda in several weeks (after MCC Board approval). Rwanda's three-year, 24 million dollar Threshold Country Plan is intended to improve its scores on three MCC Ruling Justly indicators: civil liberties, political rights and voice and accountability. The Threshold program will focus on three main components: strengthening the judicial sector, aiding civic participation, and promoting civil rights and civil liberties.

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